

2011

ANNUAL REPORT



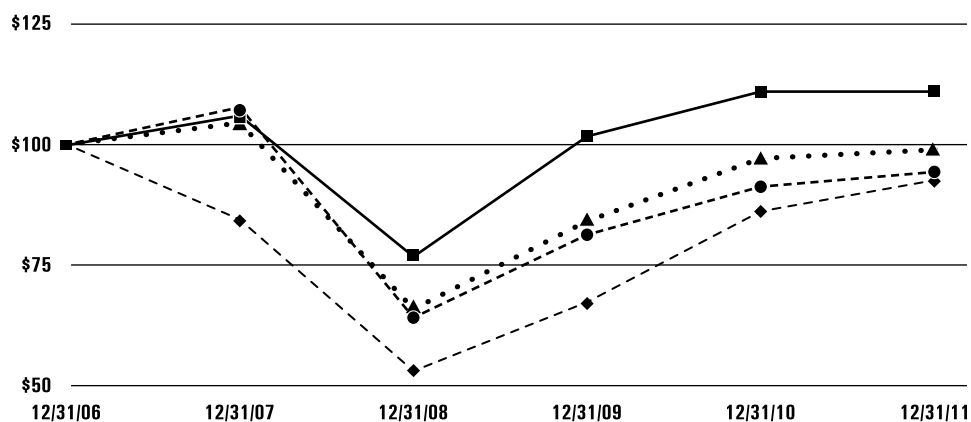
WWW.POTLATCHCORP.COM

FINANCIAL Highlights 2011

Dollars in thousands (except per-share amounts)	2011	2010	2009
Revenues	\$ 497,421	\$ 539,447	\$ 476,169
Earnings from continuing operations	40,266	40,275	81,431
Net cash provided by operating activities from continuing operations	77,115	126,073	119,914
Per common share:			
Basic earnings from continuing operations	\$ 1.00	\$ 1.01	\$ 2.05
Diluted earnings from continuing operations	1.00	1.00	2.04
Dividends/distributions paid	1.84	2.04	2.04
Stockholders' equity	3.54	5.11	5.77
Working capital	\$ 57,242	\$ 95,762	\$ 63,225
Depreciation, depletion and amortization	29,092	31,204	34,715
Capital expenditures	16,886	15,001	15,697
Total assets	746,220	781,711	823,565
Long-term debt (including current portion)	366,403	368,496	368,431
Stockholders' equity	142,138	204,439	229,790
Average common shares outstanding assuming dilution (in thousands)	40,383	40,219	39,974

Performance Graph

Comparison of Five-Year Total Returns¹



	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
■ Potlatch Corporation	\$ 100	\$ 106	\$ 77	\$ 102	\$ 111	\$ 111
◆ NAREIT Equity Index	100	84	53	67	86	93
▲ S&P 500 Composite	100	105	66	84	97	99
● 2011 Peer Group ²	100	107	64	82	91	94

¹Assumes \$100 was invested on December 31, 2006. Total return assumes quarterly reinvestment of dividends.

²Our Peer Group companies are Deltic Timber Corp.; Plum Creek Timber Co., Inc.; Rayonier Inc.; St Joe Co.; Universal Forest Products Inc.; and Weyerhaeuser Co.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

(M O) ☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15() OF THE SECURITIES
EXCHANGE ACT OF 1934

F D 31, 2011

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15() OF THE
SECURITIES EXCHANGE ACT OF 1934

F .

C F N 1-32729



POTLATCH CORPORATION

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(IRS E I N .)
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TITLE OF EACH CLASS

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\$1,417.4 , \$35.27. J 30, 2011,
T J 31, 2012: 40,202,170 C S , \$1

DOCUMENTS INCORPORATED BY REFERENCE

P 2012 A 2, 2012, C
P III .

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Part I

ITEM 1.

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AVAILABLE INFORMATION

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RESOURCE SEGMENT

Industry Background

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S	891	813	1,704
T	2,966	1,173	4,139

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10 15- 10,000 20,000 - . S
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	2011		2010		2009	
	ACRES SOLD	AVERAGE PRICE/ACRE	ACRES SOLD	AVERAGE PRICE/ACRE	ACRES SOLD	AVERAGE PRICE/ACRE
HBU	2,592	\$ 2,054	2,967	\$ 2,007	2,430	\$ 2,329
R	9,851	1,259	7,796	1,182	11,234	1,108
N -	24,015	1,345	93,974	745	30,168	1,527
T	36,458		104,737		43,832	

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EMPLOYEES

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M 2012.

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ITEM 1B.
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ITEM 5.

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D 16, 2010 , NASDAQ UTP T N Y S E C T
2011 2010, : 17, 2010,

	2011			2010		
QUARTER	HIGH	LOW	CASH DISTRIBUTIONS	HIGH	LOW	CASH DISTRIBUTIONS
1	\$ 40.36	\$ 32.53	\$ 0.51	\$ 36.67	\$ 29.64	\$ 0.51
2	40.93	32.73	0.51	41.76	33.00	0.51
3	37.30	28.01	0.51	38.44	32.58	0.51
4	35.48	29.32	0.31	36.43	31.33	0.51

T 1,333 J 31, 2012.

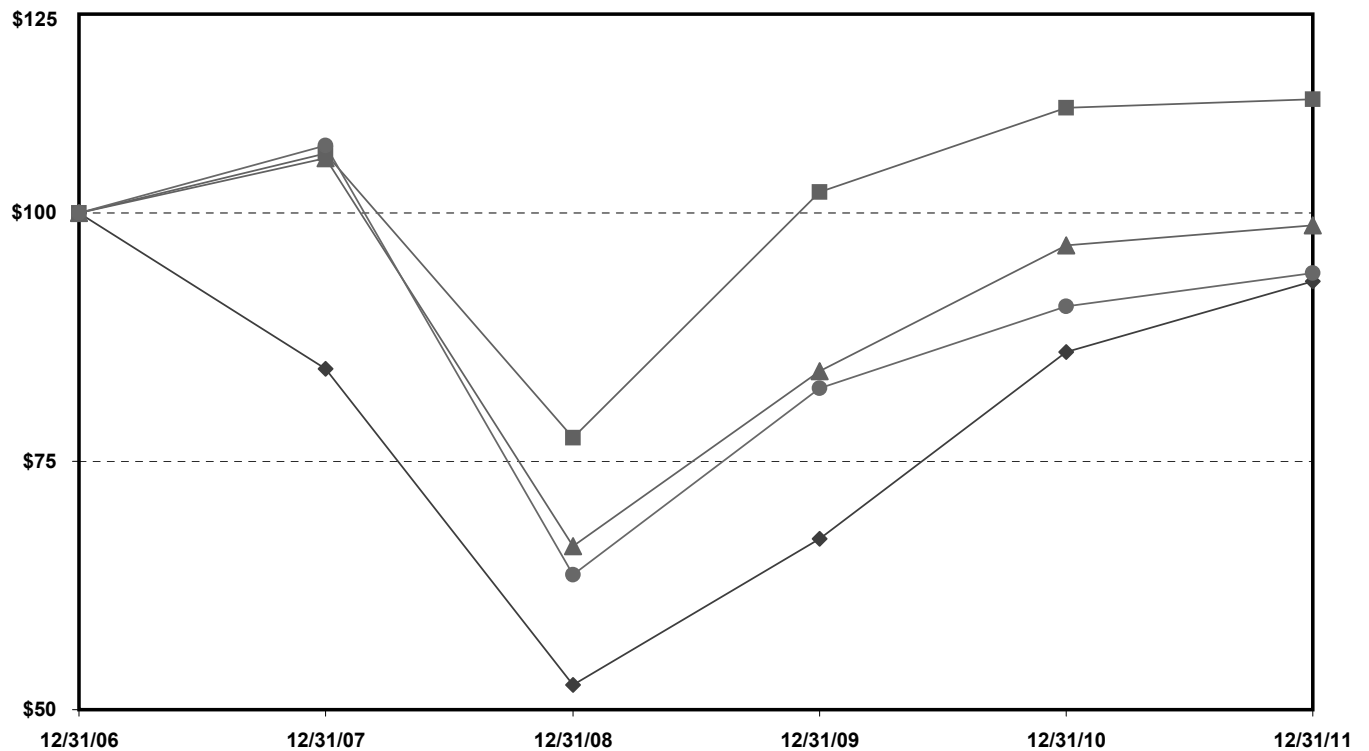
R C R O L C M R , () A F

P () REIT TRS, REIT

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S I 12 P III

COMPANY STOCK PRICE PERFORMANCE

T NAREIT E I , S & P 500 C I
P G D 31, 2011. T \$100
D 31, 2006,



	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
■ Potlatch Corporation	\$ 100	\$ 106	\$ 77	\$ 102	\$ 111	\$ 111
◆ NAREIT Equity Index	100	84	53	67	86	93
▲ S&P 500 Composite	100	105	66	84	97	99
● 2011 Peer Group ¹	100	107	64	82	91	94

¹ O P G D T C , P C T C , I , R I , S . J C , U F
P I . W C .

ITEMS 6, 7, 7A 8.
T I 6, 7, 7A 8, , P II
:

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ITEM 9.

C D A A F
D
N .

ITEM 9A.

C P
A
C E O , CEO, C F O , CFO, ,
(R 13 -15() S
E A 1934, E A). B , CEO
CFO, D 31, 2011, E A
CEO CFO,
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MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

O R 13 -15() E A .
B
P
O , CEO CFO,
C S D 31, 2011. I T C -
B , D 31, 2011,
T D 31, 2011,
KPMG LLP, 79.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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ITEM 9B.

O I
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Part III

ITEM 10.

D , E O C G
C

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C A 2, 2012.
O C C E C ,
E C . W C ' C

EXECUTIVE OFFICERS OF THE REGISTRANT

I F 16, 2012,

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M J. C (54), P C E O , J 2007.
F 2006, C B J
E J. C (48), V P , F C F O S J 2007. P
J 2007, A , I ., S V P
C S B D J 2002 J 2006.
T L. C (63), C T J 2009. P J 2009,
C S 1989.
W R. D R (45), V P , R E , M 2006.
L D. S (57), V P , G C C S J 2010.
P J 2010, W R I , I ., S V P
G C O 2007 J 2010. F J 2001 O 2007, S
C W C .
B L. S (64), V P , R M , A 2006.
T J. T (55), V P , W P J 1, 2009, V
P N 2008 J 2009. P N 2008, C F
P , L ., V P I S
P M A 2004 N 2007.
T

ITEM 11.

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A 2, 2012, P S C

ITEM 12.

S O C B O M R
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T D 31, 2011,
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PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS OR RIGHTS ¹	WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS OR RIGHTS ²	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS
E	717,106	\$ 23.34	449,761
E			
T	717,106	\$ 23.34	449,761

¹ I 517,107 55,315 , RSU ,
² P RSU ,

ITEM 13.
C R R T , D I
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T P S C A 2, 2012,

ITEM 14.
P A F S
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S C A 2, 2012, P

Part IV

ITEM 15.

E F S S

CONSOLIDATED FINANCIAL STATEMENTS

O I C F S S
25 .

FINANCIAL STATEMENT SCHEDULES

O I C F S S
25 .

EXHIBITS

E E I 81-85 .

SIGNATURES

P S 13 15() S E A 1934,

POTLATCH CORPORATION

(R)

B /S/ MICHAEL J. COVEY

Michael J. Covey

C C E B ,P
O

D : F 17, 2012

P S E A 1934,

F 17, 2012,

BY /S/ MICHAEL J. COVEY D , C B , P C E O
Michael J. Covey (P E O)

BY /S/ ERIC J. CREMERS V P , F C F O (P
Eric J. Cremers F O)

BY /S/ TERRY L. CARTER C T (P A O)
Terry L. Carter

* D

Boh A. Dickey

* D

William L. Driscoll

* D

Ruth Ann M. Gillis

* D

Jerome C. Knoll

* D

John S. Moody

* D

Lawrence S. Peiros

* D

Gregory L. Quesnel

* D

Judith M. Runstad

*B /S/ LORRIE D. SCOTT

Lorrie D. Scott

(A - -)

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T :

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C S S E D 31, 2011, 2010	47
2009	
S P A P	48
N C F S	53
R I R P A F	78
S :	
II. V Q A	80
A	

Selected Financial Data

(D -)

			2011	2010	2009	2008	2007
R		\$	497,421	\$ 539,447	\$ 476,169	\$ 439,957	\$ 423,472
E			40,266	40,275	81,431	72,937	74,642
N			40,266	40,394	77,328	52,637	56,432
W			57,242	95,762	63,225	(91,367)	49,252
C			1.7 1	2.5 1	2.1 1	0.7 1	1.2 1
L - ()		\$	366,403	\$ 368,496	\$ 368,431	\$ 321,337	\$ 321,510
S			142,138	204,439	229,790	198,234	578,336
L -			2.6 1	1.8 1	1.6 1	1.6 1	0.6 1
C	: ¹						
P ,		\$	5,338	\$ 5,215	\$ 4,317	\$ 10,345	\$ 11,526
T ,			11,548	9,786	11,380	26,406	57,723
D						27,328	162,351
T			16,886	15,001	15,697	64,079	231,600
T			746,220	781,711	823,565	938,321	1,517,204
E	:						
B		\$	1.00	\$ 1.01	\$ 2.05	\$ 1.85	\$ 1.91
D			1.00	1.00	2.04	1.83	1.90
N :							
B		\$	1.00	\$ 1.01	\$ 1.94	\$ 1.33	\$ 1.44
D			1.00	1.00	1.93	1.32	1.43
A ():							
B			40,159	39,971	39,763	39,474	39,094
D			40,383	40,219	39,974	39,803	39,384
D /D	²	\$	1.84	\$ 2.04	\$ 2.04	\$ 2.04	\$ 1.98

¹ N 2011, 2010, 2009, 2008 2007 -
 \$0.3 , \$0, \$0.2 , \$40.8 \$66.5 , , . D

² I 2008, C P
 C D 16, 2008, D 9, 2008.
 P 3.5 P

Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

E 2011, 2011,
 2010. I . W \$40.3 2011,
 N , R , . I
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 S 4.1 N
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FACTORS INFLUENCING OUR RESULTS OF OPERATIONS AND CASH FLOWS

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Company	Period	Value	Unit	Notes
Clearwater Paper	2011	5.40%	OPEB	
Clearwater Paper	2010	5.65%	OPEB	
Clearwater Paper	2009	5.40%	OPEB	
Clearwater Paper	2008	5.40%	OPEB	
Clearwater Paper	2007	5.40%	OPEB	
Clearwater Paper	2006	5.40%	OPEB	
Clearwater Paper	2005	5.40%	OPEB	
Clearwater Paper	2004	5.40%	OPEB	
Clearwater Paper	2003	5.40%	OPEB	
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Clearwater Paper	1989	5.40%	OPEB	
Clearwater Paper	1988	5.40%	OPEB	
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Clearwater Paper	1976	5.40%	OPEB	
Clearwater Paper	1975	5.40%	OPEB	
Clearwater Paper	1974	5.40%	OPEB	
Clearwater Paper	1973	5.40%	OPEB	
Clearwater Paper	1972	5.40%	OPEB	
Clearwater Paper	1971	5.40%	OPEB	
Clearwater Paper	1970	5.40%	OPEB	
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Clearwater Paper	1964	5.40%	OPEB	
Clearwater Paper	1963	5.40%	OPEB	
Clearwater Paper	1962	5.40%	OPEB	
Clearwater Paper	1961	5.40%	OPEB	
Clearwater Paper	1960	5.40%	OPEB	
Clearwater Paper	1959	5.40%	OPEB	
Clearwater Paper	1958	5.40%	OPEB	
Clearwater Paper	1957	5.40%	OPEB	
Clearwater Paper	1956	5.40%	OPEB	
Clearwater Paper	1955	5.40%	OPEB	
Clearwater Paper	1954	5.40%	OPEB	
Clearwater Paper	1953	5.40%	OPEB	
Clearwater Paper	1952	5.40%	OPEB	
Clearwater Paper	1951	5.40%	OPEB	
Clearwater Paper	1950	5.40%	OPEB	
Clearwater Paper	1949	5.40%	OPEB	
Clearwater Paper	1948	5.40%	OPEB	
Clearwater Paper	1947	5.40%	OPEB	
Clearwater Paper	1946	5.40%	OPEB	
Clearwater Paper	1945	5.40%	OPEB	
Clearwater Paper	1944	5.40%	OPEB	
Clearwater Paper	1943	5.40%	OPEB	
Clearwater Paper	1942	5.40%	OPEB	
Clearwater Paper	1941	5.40%	OPEB	
Clearwater Paper	1940	5.40%	OPEB	
Clearwater Paper	1939	5.40%	OPEB	
Clearwater Paper	1938	5.40%	OPEB	
Clearwater Paper	1937	5.40%	OPEB	
Clearwater Paper	1936	5.40%	OPEB	
Clearwater Paper	1935	5.40%	OPEB	
Clearwater Paper	1934	5.40%	OPEB	
Clearwater Paper	1933	5.40%	OPEB	
Clearwater Paper	1932	5.40%	OPEB	
Clearwater Paper	1931	5.40%	OPEB	
Clearwater Paper	1930	5.40%	OPEB	
Clearwater Paper	1929			

Cost of goods sold. C		\$41.1		10%,	2011	2010,	
	2011	2010					2011
2010. T							
R							
Selling, general and administrative expenses. S							\$1.2
	3%,	2011	2010,	-		2011	
Environmental remediation charge. I	2010,			-	\$4.1		
	A L			\$4.8	D	31, 2010. I	
2011,			\$1.2				
	\$6.0	D	31, 2011.				
Asset impairment charge. I	2011,		-			\$1.2	
Interest expense, net. N				\$0.1	2011	2010,	
\$1.2	-						
					\$5.0		-
J	2011.						
Income tax provision. T		2011		-		P TRS	\$0.9
	2010		P TRS,	\$1.4			
				\$0.3			
	REIT					\$2.1	
Discontinued operations. R			2010				P
	N 2010,				\$0.9		
P	\$0.6						

DISCUSSION OF BUSINESS SEGMENTS

(D)		YEARS ENDED DECEMBER 31,		
		2011	2010	INCREASE (DECREASE)
S R :				
R		\$ 226,969	\$ 225,834	\$ 1,135
R E		50,029	85,226	(35,197)
W P		271,580	273,887	(2,307)
T		\$ 548,578	\$ 584,947	\$ (36,369)
O :				
R		\$ 59,792	\$ 62,107	\$ (2,315)
R E		31,384	30,425	959
W P		7,267	7,140	127
T		\$ 98,443	\$ 99,672	\$ (1,229)

Resource Segment. R		\$1.1	2011	2010,	
I		N			2010,
	S		2010. D		N
					\$4.0
		\$2.3			
	2010	2011,	\$0.6		. W
4.1	2011	4.2	2010.		
I N			2% 8%,		. T

. S . N 1% , 9%,
P N . T
I , 2010 - P N 2010.
I S , 16% 7%, , 2011 2010,
2011,
2011. S
15% 2011 2010, 15%. T
E \$3.4 , 2%, 2011 2010,
W 2010. O R , \$2.3 , 4%,
2011 2010.
Real Estate Segment. R \$35.2 , \$36.2
\$1.0 2011 2010,
I 2011
W 2010. T I 2011
W 2010 2007.
Wood Products Segment. R \$2.3 2011 2010,
. E
\$2.5 , 1%, 2011 2010. T \$4.5
2011
\$2.9
2010, 2011. A 2010
- \$1.8 I . T W P
\$7.3 2011 \$7.1 2010.

YEAR ENDED DECEMBER 31, 2010 COMPARED TO YEAR ENDED DECEMBER 31, 2009

T - - C S O
D 31, 2010 2009.

(D)	YEARS ENDED DECEMBER 31,		
	2010	2009	INCREASE (DECREASE)
R \$	539,447 \$	476,169 \$	63,278
C :			
C	423,353	338,350	85,003
S ,	39,347	47,382	(8,035)
E	4,096	739	3,357
A		2,994	(2,994)
	466,796	389,465	77,331
E	72,651	86,704	(14,053)
I ,	(27,780)	(21,921)	5,859
E	44,871	64,783	(19,912)
I ()	(4,596)	16,648	21,244
E	40,275	81,431	(41,156)
D ,	119	(4,103)	4,222
N \$	40,394 \$	77,328 \$	(36,934)

Revenues. R \$63.3 , 13%, 2010 2009,
W P R E ,
D B S . R . A

Cost of goods sold. C \$85.0 , 25%, 2010 2009, R

Selling, general and administrative expenses. S \$8.0 , 17%, 2010 2009, 2010.

Environmental remediation charge. I 2010, - \$4.1 A L \$4.8 D 31, 2010.

Asset impairment charge. I 2009, - \$3.0 . T 2010.

Interest expense, net. N \$5.9 , 27%, 2009, \$150 N 2009, 2010.

Income tax benefit (provision). T 2010 - P TRS, \$1.4 \$0.3 - REIT , \$2.1 . T 2009 - P TRS, \$6.2 , \$1.0 , \$10.5 I R C REIT LKE

Discontinued operations. R 2010 P N 2010, - \$0.9 , P \$0.6 . T 2009 - \$5.75 , OSB, 2004, \$1.2 OSB-

DISCUSSION OF BUSINESS SEGMENTS

(D)		YEARS ENDED DECEMBER 31,		
		2010	2009	INCREASE (DECREASE)
S R :				
R		\$ 225,834	\$ 234,411	\$ (8,577)
R E		85,226	65,353	19,873
W P		273,887	216,592	57,295
T ,		\$ 584,947	\$ 516,356	\$ 68,591
O ():				
R		\$ 62,107	\$ 81,774	\$ (19,667)
R E		30,425	48,928	(18,503)
W P		7,140	(20,484)	27,624
T ,		\$ 99,672	\$ 110,218	\$ (10,546)

Resource Segment. R \$8.6 , 4%, 2010 2009, \$49.0 2009, 8% 2010. T 2009, 2010 N . W 4.2 2010 3.8 2009. I N , 27% 2%, . T 21% 14%, . N

S : D 31, 2011,

(D)

2012	\$ 21,661
2013	8,413
2014	21,000
2015	22,500
2016	5,000

Cash Flows Summary

T D 31, 2011, 2010
2009.

(D)	Years Ended December 31,		
	2011	2010	2009
C :			
N \$	77,115	\$ 126,073	\$ 119,914
N ()	4,503	(45,476)	(46,719)
N	(79,392)	(79,538)	(64,679)
C	2,226	1,059	8,516
C ()		3,002	(7,869)
C	2,226	4,061	647
B	5,593	1,532	885
B \$	7,819	\$ 5,593	\$ 1,532

N 2011 \$77.1 ,
\$126.1 2010 \$119.9 2009. T 2011 \$9.4 . I

2010, 2010 2009 2009.

N \$4.5 2011. N
\$45.5 2010 \$46.7 2009. I 2011,
\$22.3 \$16.9
I 2010, - \$31.7 \$15.0
I 2009, - \$31.8 \$15.7

A D 31, 2011, \$20.3 . O
, , -

N \$79.4 2011, \$79.5 2010 \$64.7 2009. N
2011 \$73.9 2011, \$5.0 - . N
2010 \$81.6 2010. N 2009
\$129.1 \$81.1 2009, \$147.4

C \$3.0 2010,
P N 2010. C 2009 \$7.9
, \$5.75 OSB A
O D 8, 2013,
\$150 , \$35 \$20
. U . S

F I R O C F ,
 B 2012 2012 , D 31, 2011,
 2012 REIT- . T
 REIT REIT . I , 75% . N 25%
 REIT P TRS - . T
 P TRS
 P TRS.
 O N 3, 2009, \$150 7.5% . T
 , , . W ,
 W 100% F A D , FAD, J 1, 2010
 FAD , .
 I FAD, FAD,
 \$90.1 D 31, 2011.
 I FAD FAD
 , , ,
 , EBITDDA,
 4.25 1.00.
 FAD, , , . F
 , ,
 2011 \$5 . U , FAD 2011 \$63.9
 2011 \$73.9 .
 T . I J 2012, S&P , BB ,
 . I J 2012, M B 1,
 O , . I
 . I , REIT
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 . S
 REIT ,
 .

CONTRACTUAL OBLIGATIONS

T D 31, 2011. P

. S

PAYMENTS DUE BY PERIOD					
(Dollars in thousands)	TOTAL	WITHIN 1 YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS
L - ¹	\$ 366,410	\$ 21,661	\$ 29,413	\$ 27,500	\$ 287,836
I -	206,935	23,759	46,218	42,262	94,696
O ²	9,793	2,900	4,054	2,354	485
P ³	21,642	7,382	8,002	6,258	
O ⁴	237,490	69,441	44,226	53,440	70,383
T	\$ 842,270	\$ 125,143	\$ 131,913	\$ 131,814	\$ 453,400

¹ S N 9, D ,

² S N 14, C C ,

³ P ,

⁴ I . P 1-5.

P N 13, S P , P P O P E B ,
1-5.

OFF-BALANCE SHEET ARRANGEMENTS

W -

DISTRIBUTIONS TO SHAREHOLDERS

T
D 31:

(A)	2011	2010	2009
Q	\$	\$	\$
C	0.83	1.54	2.04
N -	1.01	0.50	
T	\$ 1.84	\$ 2.04	\$ 2.04

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

O - . A ,

O - ,
. W ,
REIT I R C . A -

T . W -

T D 31, 2011.

T -
. H ,
J 1, 2010, \$68.25 , 19% - . A

D 31, 2011, \$63.25 .T
 6.95% 8.89% - LIBOR
 4.738% 7.805%. T J 2012
 F 2018. S N 12
 .
 W W
 P . T . A
 \$2.9 D 31,
 2010. I 2011, \$4.5 W P . S N 12

Quantitative Information about Market Risks

(D)

		EXPECTED MATURITY DATE						
		2012	2013	2014	2015	2016	THEREAFTER	TOTAL
Long-term debt:								
F		\$ 21,661	\$ 8,413	\$ 21,000	\$ 22,500	\$ 5,000	\$ 287,836	\$ 366,410
A		8.3%	7.5%	7.1%	7.0%	8.8%	7.0%	7.0%
F	12/31/11							\$ 373,791

Consolidated Statements of Operations

(Dollars in millions, except per share amounts)

	FOR THE YEARS ENDED DECEMBER 31,		
	2011	2010	2009
Revenue	\$ 497,421	\$ 539,447	\$ 476,169
Cost of sales:			
Cost of goods sold	382,252	423,353	338,350
Manufacturing overhead	40,549	39,347	47,382
Depreciation	1,200	4,096	739
Amortization	1,180		2,994
	425,181	466,796	389,465
Operating income	72,240	72,651	86,704
Interest expense	(27,829)	(27,780)	(21,921)
Interest income	44,411	44,871	64,783
Other income (expense)	(4,145)	(4,596)	16,648
Income before taxes	40,266	40,275	81,431
Income tax expense:			
Current tax expense	\$ (1,922)	\$ 182	(6,788)
Deferred tax expense	(63)		2,685
		119	(4,103)
Net income	\$ 40,266	\$ 40,394	\$ 77,328
Earnings per share:			
Basic	\$ 1.00	\$ 1.01	\$ 2.05
Diluted	1.00	1.00	2.04
Losses per share:			
Basic			(0.11)
Diluted			(0.11)
Net income per share:			
Basic	1.00	1.01	1.94
Diluted	1.00	1.00	1.93

TOTAL
.

Consolidated Statements of Comprehensive Income

(D)

	FOR THE YEARS ENDED DECEMBER 31,		
	2011	2010	2009
N	\$ 40,266	\$ 40,394	\$ 77,328
O (), :			
D :			
N () , \$(21,960),			
\$5,132, \$(7,664)	(34,347)	8,027	(11,987)
P () ,			
\$2,264, \$(279), \$29,712	3,541	(436)	46,474
A \$5,414, \$4,994, \$3,251 ,	8,469	7,811	5,084
A () , \$(3,062), \$(3,001), \$3	(4,790)	(4,695)	6
R OPEB		3,015	
O (),	(27,127)	13,722	39,577
C	\$ 13,139	\$ 54,116	\$ 116,905

T

Consolidated Balance Sheets

(D , -)

				AT DECEMBER 31	
				2011	2010
C	:				
C				\$ 7,819	\$ 5,593
S	-			62,989	85,249
R	,	\$450	\$460	13,533	21,278
I				28,603	24,375
D				11,909	13,346
O				9,998	11,953
T				134,851	161,794
P	,	,		61,453	67,174
T	,			459,687	472,349
D				57,924	49,054
O				32,305	31,340
				\$ 746,220	\$ 781,711
C	:				
C		-		\$ 21,661	\$ 5,011
C				8,172	9,517
A				47,776	51,504
T				77,609	66,032
L	-			344,742	363,485
L				163,116	129,124
O	-			18,615	18,631
S	:				
P	, A	4,000,000	,		
C	, \$1	, A	100,000,000	, I	40,202,170
	40,032,587			40,202	40,033
A	-			329,206	330,894
R	(	)		(86,388)	(52,733)
A	,			\$(91,891)	\$(74,547)
				(140,882)	(113,755)
T				142,138	204,439
				\$ 746,220	\$ 781,711

T

C 2010

2011

Consolidated Statements of Cash Flows

(D)

		FOR THE YEARS ENDED DECEMBER 31,		
		2011	2010	2009
N		\$ 40,266	\$ 40,394	\$ 77,328
A				
	:			
	D ,	29,092	31,204	34,715
	B	10,219	48,670	10,696
	C	4,218	5,427	(21,037)
	L () ,	(131)	1,078	(1,628)
	E	(2,181)	(6,241)	(138)
	E -	4,404	3,952	3,829
	A	1,180		2,994
	L ()		(119)	4,103
	P -		(341)	(2,030)
	O ,	55		130
F		(9,400)		
D	()	7,745	(3,117)	4,601
D	()	(4,228)	(385)	5,223
D	()	(8)	455	32
I	()	(4,116)	5,096	1,096
N		77,115	126,073	119,914
D	() -	22,260	(31,743)	(31,843)
A	,	(5,338)	(5,215)	(4,317)
A		(11,548)	(9,786)	(11,380)
P	,	224	3,075	1,871
O	,	(1,095)	(1,807)	(1,050)
N	()	4,503	(45,476)	(46,719)
D		(73,921)	(81,578)	(81,132)
D				(129,100)
I		1,430	2,156	1,839
C	-	(5,011)	(11)	147,094
C		157	2,178	860
D		(698)	(249)	(4,375)
E		(1,641)	(2,075)	(77)
O	,	292	41	212
N		(79,392)	(79,538)	(64,679)
C		2,226	1,059	8,516
C	()		3,002	(7,869)
I		2,226	4,061	647
B		5,593	1,532	885
B		\$ 7,819	\$ 5,593	\$ 1,532

SUPPLEMENTAL CASH FLOW INFORMATION

C	(	)	:						
I	,				\$	25,241	\$	26,135	\$ 25,495
I						(5,984)		255	(540)
N	-		:						
A						341			202
N	-		:						
R				C	P	C			
									106,250

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Consolidated Statements of Stockholders' Equity

(D , -)

	Common Stock Issued		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2008	39,740,898	\$ 39,741	\$ 333,292	\$ (7,745)	\$ (167,054)	\$ 198,234
E	81,540	82	1,757			1,839
P	4,346	4	3,747			3,751
N				77,328		77,328
P OPEB					39,577	39,577
T REIT			(13,645)			(13,645)
S - C P			3,838			3,838
C , \$2.04				(81,132)		(81,132)
Balance, December 31, 2009	39,826,784	\$ 39,827	\$ 328,989	\$ (11,549)	\$ (127,477)	\$ 229,790
E	107,296	107	2,049			2,156
P	98,507	99	1,778			1,877
N				40,394		40,394
P OPEB					13,722	13,722
T REIT			(1,922)			(1,922)
C , \$2.04				(81,578)		(81,578)
Balance, December 31, 2010	40,032,587	\$ 40,033	\$ 330,894	\$ (52,733)	\$ (113,755)	\$ 204,439
E	77,446	77	1,261			1,338
P	92,137	92	2,744			2,836
N				40,266		40,266
P OPEB					(27,127)	(27,127)
T REIT			(5,693)			(5,693)
C , \$1.84				(73,921)		(73,921)
Balance, December 31, 2011	40,202,170	\$ 40,202	\$ 329,206	\$ (86,388)	\$ (140,882)	\$ 142,138

T

POTLATCH CORPORATION AND CONSOLIDATED SUBSIDIARIES

Summary of Principal Accounting Policies

CONSOLIDATION

The consolidated financial statements include the accounts of Potlatch Corporation and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation.

SIGNIFICANT ESTIMATES

The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation.

EQUITY-BASED COMPENSATION

The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation.

INVENTORIES

The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation.

PROPERTY, PLANT AND EQUIPMENT

The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation. The consolidated financial statements are prepared on a basis consistent with the accounting policies of Potlatch Corporation.

TIMBER AND TIMBERLANDS

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REAL ESTATE SALES

S - C S O . W
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. F , C F ,
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LIKE-KIND EXCHANGES AND RESTRICTED CASH

l , LKE, - . T , LKE :
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W I R B C 1031.

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LKE 180

LKE

LKE B S D T

C S C F . I

LKE S P

C S C F .

A D 31, 2011 2010, \$0 \$0.3 , , O

C B S .

LONG-LIVED ASSETS

O -

W . B

. I . A

U ASC T 410-20,

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INCOME TAXES

T . D

REVENUE RECOGNITION

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SHIPPING AND HANDLING COSTS

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I	M		2011,	F	A	S	B	,	FASB,	A	S	U	,	ASU,N .
2011-04.T														
GAAP, I F R S , U.S.														
IFRS.T														
.														
I	J		2011,	FASB	ASU N .	2011-05,								
GAAP, I F R S , U.S.														
IFRS.I														
' .T														
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15, 2011.O														
ASU N . 2011-05,														
.	R	C	S	C	I	.								

Notes to Consolidated Financial Statements

NOTE 1.

REIT C

E J 1, 2006, R E I T ,
REIT, . A REIT,
. T REIT
REIT ,
REIT . A ,
REIT - ,
P TRS. O P TRS, REIT
-REIT
C ,
REIT .

NOTE 2.

E C S
T

D 31:

(D , -)	2011	2010	2009
E	\$40,266	\$40,275	\$81,431
B	40,159,141	39,971,073	39,763,090
I :			
C	45,232	81,942	83,799
P	146,157	132,455	105,771
R	32,455	33,859	20,953
D	40,382,985	40,219,329	39,973,613
B	\$1.00	\$1.01	\$2.05
D	\$1.00	\$1.00	\$2.04
A - :			
P	77,767		
R	1,500	5,750	
T -	79,267	5,750	
O			85,391

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REIT

REIT

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1
(D)

	2011	2010
L	\$ 12,400	\$ 7,619
L	12,002	13,115
M	4,201	3,641
	\$ 28,603	\$ 24,375
V		
L - , -	\$ 18,717	\$ 15,796
A	9,886	8,579
	\$ 28,603	\$ 24,375

	2011	2010	2009
Inventory	\$9.7	\$8.5	\$9.3
Inventory, LIFO	\$0.8	\$0.8	\$0.8
Inventory, FIFO	\$0.2	\$0.2	\$0.2

P, P, E
(D)

	2011	2010
L	\$ 16,076	\$ 14,693
B	32,418	32,210
M	168,538	167,685
C	1,367	3,093
	218,399	217,681
L :	(156,946)	(150,507)
T ,	\$ 61,453	\$ 67,174

D				\$9.8	, \$9.8	\$11.0
	D	31, 2011, 2010	2009,	.		

NOTE 6.

T T
(D)

	2011	2010
T	\$ 400,874	\$ 412,172
L	58,813	60,177
	\$ 459,687	\$ 472,349

D . A - \$14.1 , \$17.2 \$20.2 2011, 2010 2009,
\$2.4 , 2011, 2010 2009.

NOTE 7.

O A
(D)

Current Other Assets:	2011	2010
B	\$ 7,433	\$ 9,268
D	1,437	1,567
P	1,128	1,118
	\$ 9,998	\$ 11,953
Noncurrent Other Assets:		
N	\$ 22,043	\$ 21,292
D	4,535	6,277
D	3,229	3,229
D	2,409	62
R		341
O	89	139
	\$ 32,305	\$ 31,340

N . W 2012 - , COLI, COLI . D
,

NOTE 8.

I T
A REIT, ,
(J 1, 2006
) REIT
S 27, 2010, REIT, 2011. T S B J A 2010, REIT 2011,
J 1, 2011. T -
I R C . T -
P TRS , . W
D , - TRS , REIT , -
I REIT 2006, REIT
\$3.0 . T REIT . A S B J A

2010, 2015, 2011, 2011, 2010, 2012

D 2011, . A , \$5.7

T P P A C A , H C R A 2010,

M P D 2010 2012. A ,

P TRS \$0.2 \$1.4 2010. W P D 2010

T ()

D 31: ()

	2011	2010	2009
C	\$ (73)	\$ (930)	\$ 4,389
D	4,990	(10,619)	(1,351)
B	(772)	16,145	(19,686)
I ()	\$ 4,145	\$ 4,596	\$ (16,648)

T () 35%

D 31: ()

	2011	2010	2009
C	\$ 15,544	\$ 15,705	\$ 22,674
B -			9,294
REIT	(11,739)	(9,481)	(38,917)
S	897	286	250
S ,	54	311	(2,045)
T			(6,504)
I ,			(1,416)
A REIT		(2,301)	
D R H C A		1,441	
A	(611)	(1,365)	16
I ()	\$ 4,145	\$ 4,596	\$ (16,648)
E	9.3%	10.2%	(25.7)%

T 2011 2010 P TRS

2009 R H C A TRS, 2010

O 31, 2011 2010, \$0.1 \$6.1

T D 31 :
(D)

	2011	2010
D :		
P	\$ 41,380	\$ 25,753
P	25,642	28,771
N	9,202	8,104
N	4,296	5,226
I	3,459	3,400
T	2,994	2,871
I	2,560	2,564
E	1,695	1,891
O	152	138
T	91,380	78,718
V	(2,816)	(1,919)
D ,	\$ 88,564	\$ 76,799
D :		
T	\$ (6,142)	\$ (3,039)
P ,	(12,589)	(11,360)
T	(18,731)	(14,399)
N	\$ 69,833	\$ 62,400

N :		
(D)		
	2011	2010
C	\$ 11,909	\$ 13,346
N	76,655	63,453
N	(18,731)	(14,399)
N	57,924	49,054
N	\$ 69,833	\$ 62,400

A D 31, 2011, \$22.1 , , 2029 2030.

A

\$0.9 , \$0.3 \$0.3 2011, 2010 2009, . T , 14

. S 2 20

W , . I , . T , . W (. I , . B P TRS, , , , D 31, 2011. T , , . S

TRS

O	D	31, 2011	\$1.0
	A	-	\$0.4

Jurisdiction	Years
F	2008 - 2011
A	2008 - 2011
M	2007 - 2011
M	2007 - 2011
I	2008 - 2011

W D 31, 2011,

[illegible]

\$0.8
I - C P ,
, , - , - . U

- D 16, 2008.

U.S. - , P , C , U.S.

REIT

NOTE 9.

D
(D)

							2011	2010
R	,	5.9%	7.75%,	2012	2026	\$	149,745	\$ 149,712
7.5% S	N	,	2019				147,984	147,726
D	,	6.95%,	2015				22,490	22,488
M	-	,	8.75%	8.89%,	2012	2022	43,750	48,750
I							2,409	(216)
O							25	36
							366,403	368,496
L			-				21,661	5,011
L	-					\$	344,742	\$ 363,485

W \$5.0 - 2011. T 2010.
O D 8, 2013,
\$150 , \$35 \$20
. U . S
\$100 . A D 31, 2011, ,
\$2.0
. A D 31, 2011 \$148.0 .
L (1) E , -
LIBOR (2) B R , () F F R
1/2 1%, () - LIBOR, () . T
F I C R . A D 3.0% 4.0%,
3.75%. W 31, 2011,
0.5%
P F 4, 2011,
\$150 \$250 M C C R 3.00 1.00
2.25 1.00, M F I C C R 70.0% 60.0%.
E J 28, 2011, 351,900 640,900
,
D 22, 2011, M I C R 2.00 1.00 3.00 1.00,
M L \$60.0 ,
T ,
. W
T
D 31, 2011:

						COVENANT REQUIREMENT	ACTUAL RATIO AT DECEMBER 31, 2011
M	I	C	R			2.00 1.00	3.95 1.00
M	C	C	R			3.00 1.00	3.27 1.00
M	F	I	C	R		70.0%	56.4%
M	L	R				\$60.0	\$218.8

O N 3, 2009, \$150 7.5% . T , ,

W

100% F A D , FAD, J 1, 2010

FAD

I FAD, FAD,

\$90.1 D 31, 2011.

I FAD FAD

EBITDDA,
4.25 1.00.

FAD,

\$5 . U , FAD 2011 \$63.9

2011 \$73.9

S - D 31, 2011,

(D)

2012	\$	21,661
2013		8,413
2014		21,000
2015		22,500
2016		5,000

NOTE 10.

A P A L

(D)

	2011	2010
W ,	\$ 13,361	\$ 13,766
T	7,004	7,625
E	6,000	4,800
T	4,784	3,857
I	4,551	4,726
L	3,788	4,156
B	3,623	3,466
F	1,035	851
L		2,876
O	3,630	5,381
	\$ 47,776	\$ 51,504

NOTE 11.
 O L -T O
 (D)

	2011	2010
E	\$ 13,140	\$ 13,109
O	5,475	5,522
	\$ 18,615	\$ 18,631

NOTE 12.
 F I C R

FAIR VALUE OF FINANCIAL INSTRUMENTS
 E :
 (D)

	2011		2010	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
C , - (L 1)	\$ 70,808	\$ 70,808	\$ 91,183	\$ 91,183
N ()				
(L 2)	2,409	2,409	(216)	(216)
D () (L 2)	480	480	(2,876)	(2,876)
L - (-)				
(L 2)	366,403	373,791	368,496	369,351

A ,
 .T (L 1)
 (L 3).T
 L 1 I
 L 2 I :
 • Q ;
 • Q ;
 • I ;
 • I ;
 I () , L 2
 L 3 I
 T ' ' .V
 F , - .T , -
 .T
 .T -
 .F -

W . T

W

A	D	31, 2011,				\$63.25
		\$22.5	\$40.75	-	. T	
			6.95%	8.89%	3-	LIBOR
		4.738% 7.805%. T			J	2012
F		2018.				

NON-DESIGNATED LUMBER SWAP

62 / POTLATCH CORPORATION

T C B S D 31 :
(D)

		DERIVATIVE ASSETS			DERIVATIVE LIABILITIES		
		2011		2010	2011		2010
		BALANCE SHEET LOCATION	FAIR VALUE	FAIR VALUE	BALANCE SHEET LOCATION	FAIR VALUE	FAIR VALUE
D	:						
I	O	(-)	\$ 2,409	\$ 62	O -	\$	\$ 278
T			\$ 2,409	\$ 62		\$	\$ 278
D	:						
L	O	()	\$ 480	\$	A	\$	\$ 2,876
T			\$ 480	\$		\$	\$ 2,876

T 2010 : C S O D 31, 2011
(D)

		LOCATION OF GAIN (LOSS) RECOGNIZED IN INCOME		AMOUNT OF GAIN (LOSS) RECOGNIZED IN INCOME	
				2011	2010
D	:				
I					
R	1	I		\$ 1,027	\$ 481
N				\$ 1,027	\$ 481
D	:				
L					
U	()	C		\$ 3,356	\$ (2,876)
R		C		1,164	
N	()			\$ 4,520	\$ (2,876)

¹ R .

CONCENTRATION RISK

F D 31, 2011 2010, 10% . F
D 31, 2009, 10% .

NOTE 13.

S P , P P O P E B
S . I 2011, 2010 2009, 401()
\$1.4 , \$1.2 \$1.3 ,
. W - ,

. M

W

C B S D 31, 2011 2010. W

C I , C S

W D 31 . T ,

(D) - :

	PENSION BENEFIT PLANS		OTHER POSTRETIREMENT EMPLOYEE BENEFITS	
	2011	2010	2011	2010
B	\$ 395,086	\$ 399,875	\$ 72,619	\$ 82,074
S	4,456	4,633	446	415
I	21,325	21,649	3,486	3,972
P			(5,805)	
A ()	27,916	106	(913)	(6,147)
C		(432)		65
M P D			741	552
B	(30,532)	(30,745)	(5,379)	(8,312)
B	418,251	395,086	65,195	72,619
F	329,064	318,590		
A	2,500	38,863		
E	11,126	1,729		
B	(30,532)	(30,745)		
S - C P		627		
F	312,158	329,064		
F	\$ (106,093)	\$ (66,022)	\$ (65,195)	\$ (72,619)
A :				
C	\$ (1,712)	\$ (1,708)	\$ (6,460)	\$ (7,809)
N	(104,381)	(64,314)	(58,735)	(64,810)
N	\$ (106,093)	\$ (66,022)	\$ (65,195)	\$ (72,619)

A (-) A C B S

:

(D)

	PENSION BENEFIT PLANS		OTHER POSTRETIREMENT EMPLOYEE BENEFITS	
	2011	2010	2011	2010
N	\$ 256,536	\$ 209,232	\$ 45,793	\$ 50,673
P ()	3,929	4,613	(70,384)	(73,115)
N	\$ 260,465	\$ 213,845	\$ (24,591)	\$ (22,442)

T \$412.3 \$388.9

D 31, 2011 2010, .

O J 1, 2011, -

I 2009, ,

J 1, 2010. T

F 65, . I , . J 1, 2010. F 65
 . T , , AARP/U H . B

F , , . T \$76.7 ,
 D 31, 2009. T A

I D 31 , ,
 (D)

	2011	2010
P	\$ 418,251	\$ 395,086
A	412,322	388,934
F	312,158	329,064
P - () C S O		
(D)		

	PENSION BENEFIT PLANS			OTHER POSTRETIREMENT EMPLOYEE BENEFITS		
	2011	2010	2009	2011	2010	2009
S	\$ 4,456	\$ 4,633	\$ 4,289	\$ 446	\$ 415	\$ 980
I	21,325	21,649	22,588	3,486	3,972	9,015
E	(31,804)	(33,133)	(35,309)			
A ()	684	875	993	(8,536)	(8,891)	(984)
A	9,916	8,174	3,890	3,967	4,631	4,445
N ()	\$ 4,577	\$ 2,198	\$ (3,549)	\$ (637)	\$ 127	\$ 13,456

O C S C I :
 (D)

	PENSION BENEFIT PLANS			OTHER POSTRETIREMENT EMPLOYEE BENEFITS		
	2011	2010	2009	2011	2010	2009
N ()	\$ 57,220	\$ (6,682)	\$ (7,902)	\$ (913)	\$ (6,477)	\$ 27,553
P ()			539	(5,805)	715	(76,725)
A ()	(684)	(875)	(993)	8,536	8,571	984
A	(9,916)	(8,174)	(3,890)	(3,967)	(4,631)	(4,445)
T ()	\$ 46,620	\$ (15,731)	\$ (12,246)	\$ (2,149)	\$ (1,822)	\$ (52,633)
T () ()	\$ 51,197	\$ (13,533)	\$ (15,795)	\$ (2,786)	\$ (1,695)	\$ (39,177)
P - ()	\$ 4,577	\$ 2,198	\$ (3,549)	\$ (637)	\$ 127	\$ 13,456

T \$14.8
 \$0.8 , . T OPEB

\$3.9

\$9.1

T M P D , I M A 2003

M P D

M O P D

M P D . D 2011 2010,

\$0.7 \$0.6 , .

W D 31 :

	PENSION BENEFIT PLANS			OTHER POSTRETIREMENT EMPLOYEE BENEFITS		
	2011	2010	2009	2011	2010	2009
D	4.95%	5.65%	5.65%	4.85%	5.40%	5.65%
R	3.50	4.00	4.00			

W () D 31

:

	PENSION BENEFIT PLANS			OTHER POSTRETIREMENT EMPLOYEE BENEFITS		
	2011	2010	2009	2011	2010	2009
D	5.65%	5.65%	6.15%	5.40%	5.65%	6.15%
E	8.50	8.50	8.50			
R	4.00	4.00	4.00			

T OPEB 2011 2010

AA

OPEB . T

50 60

. P 2010, OPEB

()

T . T -

T OPEB D 31, 2011 0%

65

; 6.8%

5.0%

A

2070;

5.2%

65

5.0%

2070. T

0%

2009

A :

(D)

				1% INCREASE	1% DECREASE
E	2011			\$ 70	\$ (63)
E	OPEB	D	31, 2011	725	(665)

ASSET CATEGORY	PENSION BENEFIT PLANS		OTHER POSTRETIREMENT EMPLOYEE BENEFITS	
	2011	2010	2011	2010
D	21%	22%		
D	41	34		
G /	24	29		
O	14	15		
T	100%	100%	%	%

W

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• A

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. T

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D

36%- 60%

F

35%- 60%

H

9%- 21%

T

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. P

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• A

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. A

25%

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A

P

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T

. E

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. F

(. ., S&P 500 I , S L G C G I ,/C I ' , I , M S W I , M L I G C I , R V I I),

F V M D 31, 2011:
(D)

ASSET CATEGORY	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
C	\$ 4,309	\$	\$	4,309
E	:			
U.S.	1	30,173		30,173
U.S.	/ 2	18,343		18,343
I		6,925		6,925
M	3	127,657		127,657
C	:			
U.S.	/ 4	15,581		15,581
D	5	34,166		34,166
E	6	33,863		33,863
H	7		42,940	42,940
S	:			
M	8	4,728		4,728
M	- 9	1,941		1,941
S		187,407	90,279	320,626
P	10	(8,468)		(8,468)
T	\$	\$ 178,939	\$ 90,279 \$ 42,940	\$ 312,158

¹ T US R 1000 V .
² T US / R 2500 G .
³ T 50% - - 50%
, - B .
⁴ T US / R 2500 V .
⁵ T MSCI EAFE. US & C ,
⁶ T MSCI E M . US & C ,
⁷ T , 6% 52% / - , 13% , 11%
18% .
⁸ T M V S L T P P .
⁹ T - U.S. B I S L T .
¹⁰ T .

F V M D 31, 2010:
(D)

ASSET CATEGORY	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
C	\$ 5,700	\$	\$	5,700
E	:			
U.S.	1	34,475		34,475
U.S.	/ 2	19,352		19,352
U.S.	/ 3	20,001		20,001
I		10,303		10,303
M	4	112,648		112,648
C	:			
D	5	44,194		44,194
E	6	40,195		40,195
H	7		44,201	44,201
S	:			
M	8	4,719		4,719
M	- 9	2,322		2,322
S		202,479	91,430	338,110
P	10	(9,046)		(9,046)
T	\$ 193,433	\$ 91,430	\$ 44,201	\$ 329,064

¹ T US R 1000 V
² T US / R 2500 G
³ T US / R 2500 V
⁴ T 50% - 50%
⁵ T MSCI EAFE. US & C B
⁶ T MSCI EAFE. US & C
⁷ T 34% / - , 27% , 10%
, 10% 8% , 11%
⁸ T M V S L T P P
⁹ T - U.S. B I S L P T
¹⁰ T

T L 3
D 31:
(D)

	Hedge Funds	
	2011	2010
B	\$ 44,201	\$
P		42,000
U	(1,261)	2,201
B	\$ 42,940	\$ 44,201

R N 12

F :
C
R , NAV,
.T NAV ,
L 1. .T
NAV .T NAV
.H ,
L 2.
T
.T L 3.
L 2.
A D 31, 2011, .P
A
D 31, 2011 2010. I A 2008 2009, I R S -
2009 .W .C ,
2010
.I 2011, \$5.0 \$4.4
2012 \$9.7 .W \$5.8
\$22.0
.W COLI, \$1.7 -
.P OPEB

E :
(D)

		PENSION BENEFIT PLANS	OTHER POSTRETIREMENT EMPLOYEE BENEFITS
2012	\$	29,597	\$ 6,460
2013		29,491	5,974
2014		29,235	5,610
2015		29,110	5,346
2016		28,936	5,067
2017 2021		143,053	20,132

NOTE 14.
C C
W , ,
2028. A , ,

A D 31, 2011, :
(D)

2012	\$ 2,900
2013	2,267
2014	1,787
2015	1,330
2016	1,024
2017	485
T	\$ 9,793

O \$2.4 , \$2.0 \$1.9 D 31, 2011,
2010 2009, .
I J 2007, E P A R , EPA,
C C E R , C L A 1980, CERCLA,
A W A - A L I .W
A L , 1980 M R .T
M R
1980. W EPA A 2008 E
E /C A , EE/CA, EE/CA EPA
I J 2010, .T
EPA EE/CA
EE/CA A L
R E .T EPA B A C
EPA J 26, 2011 . T
\$7.9 \$10.5 .T M 11, 2011. O J 5, 2011, EPA
A M A L S \$9.5 . C
EPA. W
EPA . A D 31, 2011, \$1.2
\$6.0
W
 , .

NOTE 15.

E -B C P			
T D 31, 2011, 2010 2009:			
(D)			
	2011	2010	2009
E - :			
P	3,821	3,368	3,286
R	583	584	543
T -	\$ 4,404	\$ 3,952	\$ 3,829
D	\$ 619	\$ 946	\$ 1,484

F D 31, 2011, 2010 2009, C S C F .

STOCK OPTIONS

A 10 . N
2011, 2010 2009.

A D 31, 2011, 2010 2009
:

		2011		2010		2009	
		SHARES	WEIGHTED AVG. EXERCISE PRICE	SHARES	WEIGHTED AVG. EXERCISE PRICE	SHARES	WEIGHTED AVG. EXERCISE PRICE
O							
J	1	222,130	\$ 21.64	329,426	\$ 21.14	412,001	\$ 21.44
S		(77,446)	18.47	(107,296)	20.10	(81,540)	22.56
C						(1,035)	30.92
O							
D	31	144,684	23.34	222,130	21.64	329,426	21.14
T							
)		\$ 1,496		\$ 1,609		\$ 561	

T 2011, 2010 2009.

T D 31, 2011:

OPTIONS OUTSTANDING AND EXERCISABLE				
RANGE OF OPTION PRICES		NUMBER OUTSTANDING AT 12/31/11	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE OPTION PRICE
\$13.8594	\$14.4398	35,844	0.94	\$ 14.30
\$19.2569		42,995	1.92	19.26
\$30.9204		65,845	2.92	30.92
\$13.8594	\$30.9204	144,684	2.13	23.34 \$ 1,125

C D 31, 2011, 2010 2009 \$1.4
, \$2.2 \$1.8 , . N
D 31, 2011, 2010 2009.

PERFORMANCE SHARES

P -
. T
-
. T
0% 200%. P
. I
-
. T
AM C P
- . T
M C . H
L , P , ,

. T , P
 . M ,
 P . F ,
 P . T ,
 . A . T
 - , ,

T
 2011, 2010 2009, :

	2011	2010	2009
S	77,767	81,162	112,269
S	\$ 39.10	\$ 31.88	\$ 24.30
R -	1.26%	1.29%	1.18%
F	\$ 55.84	\$ 45.30	\$ 33.32
T	D	31, 2011, 2010	2009,
(D	-	)	

	2011	2010	2009
	WEIGHTED AVG. GRANT DATE FAIR VALUE	WEIGHTED AVG. GRANT DATE FAIR VALUE	WEIGHTED AVG. GRANT DATE FAIR VALUE
SHARES	SHARES	SHARES	SHARES
U			
J 1	184,601 \$ 38.45	171,595 \$ 40.04	131,108 \$ 50.51
G	77,767 55.84	81,162 45.30	112,269 33.32
V	(103,960) 33.32	(57,291) 52.75	(71,719) 48.66
F	(3,814) 42.77	(10,865) 39.24	(63) 47.90
U			
D 31	154,594 50.54	184,601 38.45	171,595 40.04
T			
	\$ 3,464	\$ 3,022	\$ 3,490
A			
D 31	\$ 4,747	\$ 5,752	\$ 4,890

A D 31, 2011, \$4.1
 , 1.5 . T
 - D 31, 2011, 2010 2009.

RESTRICTED STOCK UNITS

O 2005 S I P RSU . D 2011, 2010
 2009, RSU
 RSU . T RSU
 . T RSU

A : RSU D 31, 2011, 2010 2009,

			2011		2010		2009	
			WEIGHTED AVERAGE GRANT DATE		WEIGHTED AVERAGE GRANT DATE		WEIGHTED AVERAGE GRANT DATE	
			SHARES	FAIR VALUE	SHARES	FAIR VALUE	SHARES	FAIR VALUE
U								
J	1		41,715	\$ 29.37	41,559	\$ 32.57	39,711	\$ 45.38
G			18,053	38.57	21,559	33.17	21,720	24.34
V			(21,510)	26.26	(16,639)	42.23	(19,872)	49.18
F			(1,899)	32.78	(4,764)	29.56		
U								
D	31		36,359	35.60	41,715	29.37	41,559	32.57
T		RSU						
	)	(	\$ 565		\$ 703		\$ 977	
A								
RSU	)	D 31 (	\$ 1,131		\$ 1,395		\$ 1,325	
A	D	31, 2011,	\$0.7					
RSU	,					1.0	.	

NOTE 16.

S I
A D 31, 2011, : R ; R
E ; W P . O R
T R . M
T R
- ,
- T R E
P TRS
O W P
T
LIFO
M
I

T . C

(D)

		2011	2010	2009
S R :				
R	\$	226,969	\$ 225,834	\$ 234,411
R E		50,029	85,226	65,353
W P		271,580	273,887	216,592
		548,578	584,947	516,356
E - R ¹		(51,157)	(45,500)	(40,187)
T	\$	497,421	\$ 539,447	\$ 476,169
O I (L):				
R	\$	59,792	\$ 62,107	\$ 81,774
R E		31,384	30,425	48,928
W P		7,267	7,140	(20,484)
E		2,410	1,900	7,863
		100,853	101,572	118,081
C		(56,442)	(56,701)	(53,298)
E	\$	44,411	\$ 44,871	\$ 64,783
D , : ²				
R	\$	17,420	\$ 20,481	\$ 23,366
R E		28		
W P		7,829	8,188	9,675
		25,277	28,669	33,041
C		3,815	2,535	1,674
T	\$	29,092	\$ 31,204	\$ 34,715
B :				
R E	\$	13,500	\$ 48,670	\$ 10,696
E		(3,281)		
T	\$	10,219	\$ 48,670	\$ 10,696
A :				
R R E ³	\$	476,483	\$ 495,780	\$ 604,617
W P		102,957	98,987	126,301
		579,440	594,767	730,918
C		166,780	186,944	92,647
T	\$	746,220	\$ 781,711	\$ 823,565
C E :				
R R E ³	\$	12,003	\$ 11,534	\$ 12,431
W P		4,050	1,896	1,466
		16,053	13,430	13,897
C		833	1,571	1,800
T	\$	16,886	\$ 15,001	\$ 15,697

¹ I W P 2009-2011, , R

² E \$1.2 \$3.0 2011 2009, .

³ A R R E R , R E

2011, 2010 2009 LKE , \$0.3 , \$0 \$0.2 , ,

A C M . G U S . H ,

:

(D)

	2011	2010	2009
U S	\$ 490,409	\$ 532,862	\$ 471,016
C	4,646	5,959	4,802
M	2,366	626	351
T	\$ 497,421	\$ 539,447	\$ 476,169

NOTE 17.

A I C

I 2011, - \$1.2

, C S O . I 2009, R E

\$3.0 , C S O . T W P -

NOTE 18.

D O

W OSB A L C . L ., A , 2004. I 2006, A

\$1.2 2009. T - \$5.75 2009.

O D 16, 2008, - C P . A , 2010

2009.

I M 2008, P , A . T

N 2010, \$0.9 .

NOTE 19.

F R Q (U)
(D -)

THREE MONTHS ENDED									
	MARCH 31		JUNE 30		SEPTEMBER 30		DECEMBER 31		
	2011	2010	2011	2010	2011	2010	2011	2010	
R	\$ 122,233	\$ 105,418	\$ 112,370	\$ 128,978	\$ 152,891	\$ 158,877	\$ 109,927	\$ 146,174	
C :									
C	93,148	85,494	85,906	97,295	108,420	122,205	94,778	118,359	
S ,	11,927	8,445	8,704	9,401	7,837	10,062	12,081	11,439	
E							1,200	4,096	
A					1,180				
	105,075	93,939	94,610	106,696	117,437	132,267	108,059	133,894	
E ()	7,696	1,384	8,449	11,828	25,599	18,164	(1,478)	8,899	
D		(189)		(85)		(84)		477	
N ()	\$ 7,696	\$ 1,195	\$ 8,449	\$ 11,743	\$ 25,599	\$ 18,080	\$ (1,478)	\$ 9,376	
E () ₁									
B	\$ 0.19	\$ 0.03	\$ 0.21	\$ 0.29	\$ 0.64	\$ 0.45	\$ (0.04)	\$ 0.22	
D	0.19	0.03	0.21	0.29	0.63	0.45	(0.04)	0.22	
E ₁									
B	\$	\$	\$	\$	\$	\$	\$	\$	0.01
D									0.01
N () ₁									
B	\$ 0.19	\$ 0.03	\$ 0.21	\$ 0.29	\$ 0.64	\$ 0.45	\$ (0.04)	\$ 0.23	
D	0.19	0.03	0.21	0.29	0.63	0.45	(0.04)	0.23	

¹ P - . T , -

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

T B D S
P C :

W P C
D 31, 2011 , 2010,
, - D , 31, 2011. I ,
, I 15. T
C , . O

W P C A O B (U
S). T
. A , ,
. A
,
. W
I , P C
D 31, 2011 , 2010,
three-year D 31, 2011,
U.S. . A , , ,
,
W P C A O B (U
S), P C , '
-
T C (COSO), F 17, 2012
C ,
/ / KPMG LLP
S , W

F 17, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS
OF THE COMPANY:

We have audited the Company's consolidated balance sheet as of December 31, 2011, and the related consolidated statements of income, cash flows, and stockholders' equity for the year ended December 31, 2011, and the Company's internal control over financial reporting (COSO). Our audit was conducted in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB).

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the Company's financial position, results of operations, cash flows, and stockholders' equity as of December 31, 2011, and for the year ended December 31, 2011, in accordance with the accounting principles generally accepted in the United States of America. Our audit also included an examination of the Company's internal control over financial reporting, and we found that the internal control over financial reporting was effective as of December 31, 2011.

We also have audited the Company's consolidated balance sheet as of December 31, 2010, and the related consolidated statements of income, cash flows, and stockholders' equity for the year ended December 31, 2010, and the Company's internal control over financial reporting (COSO). Our audit was conducted in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB).

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the Company's financial position, results of operations, cash flows, and stockholders' equity as of December 31, 2010, and for the year ended December 31, 2010, in accordance with the accounting principles generally accepted in the United States of America. Our audit also included an examination of the Company's internal control over financial reporting, and we found that the internal control over financial reporting was effective as of December 31, 2010.

A copy of this report is being furnished to you by electronic mail.

(1)

; (2)

; (3)

Based on the audit, we have concluded that the consolidated financial statements referred to above present fairly, in all material aspects, the Company's financial position, results of operations, cash flows, and stockholders' equity as of December 31, 2011, and for the year ended December 31, 2011, in accordance with the accounting principles generally accepted in the United States of America. Our audit also included an examination of the Company's internal control over financial reporting, and we found that the internal control over financial reporting was effective as of December 31, 2011.

In addition, we have audited the Company's consolidated balance sheet as of December 31, 2010, and the related consolidated statements of income, cash flows, and stockholders' equity for the year ended December 31, 2010, and the Company's internal control over financial reporting (COSO). Our audit was conducted in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB).

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the Company's financial position, results of operations, cash flows, and stockholders' equity as of December 31, 2010, and for the year ended December 31, 2010, in accordance with the accounting principles generally accepted in the United States of America. Our audit also included an examination of the Company's internal control over financial reporting, and we found that the internal control over financial reporting was effective as of December 31, 2010.

/ / KPMG LLP

S, W

F 17, 2012

PART IV

ITEM 15.

S II

POTLATCH CORPORATION AND CONSOLIDATED SUBSIDIARIES

Valuation and Qualifying Accounts

FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009

(D)

DESCRIPTION			BALANCE AT BEGINNING OF YEAR	AMOUNTS CHARGED (CREDITED) TO COSTS AND EXPENSES	DEDUCTIONS ¹	BALANCE AT END OF YEAR
R :						
D						
A						
Y	D	31, 2011	\$ 460	\$ 159	\$ (169)	\$ 450
Y	D	31, 2010	\$ 1,670	\$ 54	\$ (1,264)	\$ 460
Y	D	31, 2009	\$ 1,669	\$ 7	\$ (6)	\$ 1,670

¹ A , .

Exhibit Index

EXHIBIT NUMBER	DESCRIPTION
(2)()*	S C R P D C A , E D 15, 2008, R 8-K D 18, 2008.
(3)()*	S E R 99.2 C C I R F 8-K R , F F 3, 2006, 6, 2006.
(3)()*	B C R R F , 8-K R F 18, 2009, E (3)() 20, 2009.
(4)	S E (3)() (3)(). T R C ,
(4)()*	I A R , , N , E 3, 2009, 4.1 C R R F U.S. B 8-K N 9, 2009.
(4)()()*	F (). 7 1/2% S N 2019 (E A I E 4
(4)()()*	R R A , E 4.1 N C 3, 2009, R F 8-K R N 9, 2009.
(10)() ^{1*}	P 2004, C E M (10)() P A R A F , 10-K (O P C D , 2, D F 3, 2006, O P R P R O , R C P) (, D) P C D 31, 2004 (2004 F 10-K) (SEC F N . 1-5313).
(10)()() ^{1*}	A C P R C F 8-K M R P D A P 11, 2008. E 10.6
(10)() ^{1*}	P C R F S 8-K P R E E D 11, 2008. E 10.3
(10)() ^{1*}	P C D 2000 S I E P (10)() D C 2, 1999, F 8-K O P J 29, 2005, 5, 2006, 8-K R S S 16, 2006, E (10) () C R F 8-K R S 21, 2006.

(10)() ()^{1*} F P S O P C 2000 S I
 2002, 2003, 2004, A E (10)() () A R D 2000, 2001,
 O P 1-5313). 31, 2001 (2001 F 10-K) (SEC F N .

(10)() ()^{1*} F I P S O A P C 2000 S
 2000, 2001, 2002 2003, E (10)() () 2001 F 10-K (SEC F N .

(10)()^{1*} P C S E S B P , E (10)()
 Q J R 1, 1989, F 10-Q O P M 24, 2005, J 30, 2005.

(10)() ()^{1*} A , J 1, 1998, P O P E (10)(), E
 (10)() () 31, 2003 (SEC F N . 1-5313). D A R F 10-K

(10)() ()^{1*} A E 10.5 , C D R F 5, 2008, P R E D (10)(), 11, 2008.

(10)()^{1*} P C E D (10)() C Q P D F 10-Q O P M 24,
 2005, J 30, 2005.

(10)()^{1*} P C B P T A , D E (10)() A
 R F 10-K 10-K). 31, 2008 (2008

(10)() ()^{1*} C 2008 F O D , J 1, 2008, E (10)() ()

(10)()^{1*} F I R A E 10.1 C R F 8-K
 R S , 23, 2009.

(10)()^{1*} P C 1995 S I E P (10)() D C 7, 1995, F 8-K
 O D P J 29, 2005, 5, 2006.

(10)() ()^{1*} F P S O A P C 1995 S I
 E (10)() () A 2004 F 10-K (SEC F N . 1-5313). D 2002,

(10)()^{*} C A , , B A 8, 2008, R , L/C
 , G E 10.1 C R F 8-K L
 R D , 10, 2008.

(10)() ()^{*} F A F H C A , N 19, 2009, R ,
 P R G , I ., P L & L , LLC, - B C R
 A F , N.A., R N L 24, 2009. E 10.1

(10)()(*) C R , J 23, 2009, C A , , D 8, 2008, , N.A., , L/C , G E 10.1
C R F 8-K R J 24, 2009.

(10)()(*) S A F H C , I , P L , & L F 4, 2011, R ,
P R N. A. 8-K R F L 8, 2011. E 10.1 C B R A F ,

(10)()(*) P S C M A (M J 28, 2011 B A , N.A.
C , I) E 10.1() Q R F 526335 10-Q A L 1, 2011.

(10)()(*) F S C M A (M J 28, 2011 B A , N.A.
C , I) E 10.1() Q R F 117552 10-Q A A 1, 2011.

(10)()(*) F S C M A (M J 28, 2011 B A , N.A.
C , I) E 10.1() Q R F 221601 10-Q A B 1, 2011.

(10)()(*) F S C M A (M J 28, 2011 B A , N.A.
C , I) E 10.1() Q R F 337167 10-Q A V 1, 2011.

(10)()(*) F S C M A (M J 28, 2011 B A , N.A.
C , I) E 10.1() Q R F 464537 10-Q A I 1, 2011.

(10)()(*) P S C M A (M J 28, 2011 B A , N.A.
C A 1, 2011. C , I) E 10.1() Q R F 210366 10-Q

(10)()(*) P S C M A (M J 28, 2011 B A , N.A.
B A 1, 2011. C , I) E 10.1() Q R F 252716 10-Q

(10)()(*) P S C M A (M J 28, 2011 B A , N.A.
S A 1, 2011. C , I) E 10.1() Q R F 449098 10-Q

(10)()(*) T A F H C , I , P L , & L D 22, 2011, R ,
P R N. A. 8-K R D L 22, 2011. E 10.1 C B R A F ,

(10)()^{1*} P C 2005 S I P , M 19, 2006,
E (10)() Q R F 10-Q R S 16, 2006,
J 30, 2006, (10)() C R F 8-K R S 21, 2006.

(10)()(^{1*} F M 19, 2006, R E J (10)()(^{1*} S U A (2005 S I P), Q R F 10-Q R M 19, 2006, 30, 2006.

(10)()(^{1*} F M 19, 2006, P E J (10)()(^{1*} S A (2005 S I P), Q R F 10-Q R M 19, 2006, 30, 2006, (10)()(^{1*} C R F 8-K R J 17, 2007, 19, 2007. E

(10)()(^{1*} P 2008, C E M (10)()(^{1*} P C R A P II, 8-K R F 20, F 26, 2008.

(10)()(^{1*} A 2008, P E C (10)()(^{1*} M C R P F A P II, J 1, 21, 2008. R M

(10)()(^{1*} P 2008 F C 10-K. D C P D II, E (10)()

(10)()(^{1*} P R C F 8-K S S R B D P II, 11, 2008. E 10.4 C

(10)()(^{1*} P K C R A I D P 11, 2008. E 10.1 C R F 8-

(10)()(¹ A D 19, 2011 P C A I P .

(10)()(^{1*} P C M D C E P , J 1, 2008, R F M 18, 2010. 1, 2009, 10.() F 10-K

(10)()(^{*} E C R M P A C D , D E 15, 2008, 10.3 C R R F 8-K 18, 2008.

(10)()(^{*} T H L R F S , I , D , LLC, D P C D , 18, 2008. E 10.4 C R A , P R F , P

(12) C R E F C .

(21) P C S .

(23) C I R P A F .

(24) P A .

(31) R 13 -14()/15 -14() C .

(32) F S 1350. C E O C F O 18 U.S.C.

101 T P C A R F 10-K
B D R L 31, 2011,):() C F S 17, 2012, XBRL (E
I D 31, 2011, 2010 2009, () C S O C C
S D 31, 2011 D 31, 2011, 2010 2009, () C C F B
S D E 31, 2011, 2010 2009, () C S C F
C F S D 31, 2011, 2010 2009, () S 2009, () N
Q A , , , () S II V

* I .

¹ M , .

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BOARD of Directors

Michael J. Covey
Chairman, President and
Chief Executive Officer
Director since 2006

Boh A. Dickey
Retired President and
Chief Operating Officer
Safeco Corporation
Seattle, Washington
Director since 2000

William L. Driscoll
Partner
Pointe Group Management
Company
Real Estate Management
Tacoma, Washington
Director since 2004

Ruth Ann M. Gillis
Executive Vice President,
Chief Administrative and
Diversity Officer
Exelon Corporation
President
Exelon Business Services Company
Energy Services
Chicago, Illinois
Director since 2003

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Polyurethane Products
Bellevue, Washington
Director since 2001

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Fund Management
Houston, Texas
Director since 2006

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Executive Vice President and
Chief Operating Officer
The Clorox Company
Consumer Products
Oakland, California
Director since 2003

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Retired President and
Chief Executive Officer
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Palo Alto, California
Director since 2000

Judith M. Runstad
Of Counsel
Foster Pepper, PLLC
Legal Services
Seattle, Washington
Director since 1999

*Independent Lead Director

OFFICERS

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Public Affairs

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Chief Executive Officer

Jane E. Crane
Vice President,
Human Resources

Eric J. Cremers
Executive Vice President and
Chief Financial Officer

William R. DeReu
Vice President,
Real Estate Division

Lorrie D. Scott
Vice President, General Counsel
and Corporate Secretary

Brent L. Stinnett
Vice President,
Resource Management Division

Thomas J. Temple
Vice President,
Wood Products Division



CORPORATE Information

Executive Offices

601 West First Avenue, Suite 1600
Spokane, Washington 99201-3807
509-835-1500
www.potlatchcorp.com

Transfer Agent and Registrar

Computershare Shareowner Services, LLC
480 Washington Boulevard
Jersey City, New Jersey 07310-1900
866-593-2351
www.bnymellon.com/shareowner/isd

Stock Listing

Potlatch common stock is traded under the symbol PCH on NASDAQ.



Distribution Reinvestment

For the convenience of our registered stockholders, dividend distributions may be reinvested in Potlatch common stock. For information, contact Computershare Shareowner Services, LLC at 866-593-2351.

Annual Meeting

The annual meeting of stockholders will be held:
May 7, 2012, at 9 a.m.
The Spokane Club
1002 West Riverside Avenue
Spokane, Washington 99201

Additional Information

Copies of our filings with the U.S. Securities and Exchange Commission, our Corporate Governance Guidelines, Corporate Conduct and Ethics Code, and Charters of the Committees of the Board of Directors are available, free of charge, at our Web address, www.potlatchcorp.com, or upon written request to the Corporate Secretary at our executive offices.

Forward-Looking Statements

This report contains forward-looking statements that reflect management's current views regarding future events based on estimates and assumptions, and are therefore subject to known and unknown risks and uncertainties. For a nonexclusive listing of forward-looking statements and potential factors affecting our business, please refer to "Cautionary Statement Regarding Forward-Looking Information" on Page 1 and "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011, which is included as part of this report. These forward-looking statements are made as of the date of this report and, except as required under applicable law, we do not intend to issue updates concerning any future revisions of management's views to reflect events or circumstances occurring after the date of this report.

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